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September 2, 2022

VIA eFILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of Their Default Service Programs
Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014, and P-2021-3030021**

Dear Secretary Chiavetta:

Enclosed please find the **Joint Petition Of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, And West Penn Power Company To Modify Their Default Service Procurement Schedule.**

As evidenced by the enclosed Certificate of Service, copies of the Joint Petition will be served on all parties to this proceeding.

Please reach out should you have any questions – 215.963.5834.

Very truly yours,



Kenneth M. Kulak

Enclosures

c: Per Certificate of Service (w/encls.)

DB1/ 132511846.1

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|-------------------------------------|----------|----------------------------------|
| JOINT PETITION OF | : | DOCKET NO. P-2021-3030012 |
| METROPOLITAN EDISON COMPANY, | : | |
| PENNSYLVANIA ELECTRIC | : | DOCKET NO. P-2021-3030013 |
| COMPANY, PENNSYLVANIA POWER | : | |
| COMPANY, AND WEST PENN POWER | : | DOCKET NO. P-2021-3030014 |
| COMPANY, FOR APPROVAL OF | : | |
| THEIR DEFAULT SERVICE | : | DOCKET NO. P-2021-3030021 |
| PROGRAMS | : | |

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served copies of the **Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company to Modify Their Default Service Procurement Schedule**, on the persons listed below, in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

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*Counsel for Metropolitan Edison Company,
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Pennsylvania Power Company, and
West Penn Power Company*

Dated: September 2, 2022

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|-------------------------------------|----------|----------------------------------|
| JOINT PETITION OF | : | DOCKET NO. P-2021-3030012 |
| METROPOLITAN EDISON COMPANY, | : | |
| PENNSYLVANIA ELECTRIC | : | DOCKET NO. P-2021-3030013 |
| COMPANY, PENNSYLVANIA POWER | : | |
| COMPANY AND WEST PENN POWER | : | DOCKET NO. P-2021-3030014 |
| COMPANY FOR APPROVAL OF | : | |
| THEIR DEFAULT SERVICE | | DOCKET NO. P-2021-3030021 |
| PROGRAMS | | |

**JOINT PETITION OF METROPOLITAN EDISON
COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST
PENN POWER COMPANY
TO MODIFY THEIR DEFAULT SERVICE
PROCUREMENT SCHEDULE**

Pursuant to 52 Pa. Code § 5.41 and § 54.186(d), Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”), and West Penn Power Company (“West Penn”) (each individually a “Company” and collectively, the “Companies”), hereby petition the Pennsylvania Public Utility Commission (“Commission”) for approval to modify the procurement schedule included in their sixth default service programs (the “Program(s)” or “DSP VI”) that were approved by the Commission at the above-captioned docket.¹ Specifically, the Companies are proposing to move the first DSP VI auction for 24-month residential and commercial full requirements products currently scheduled

¹ *Joint Petition of Metro. Edison Co., Pennsylvania Elec. Co., Pennsylvania Power Co., and West Penn Power Co. for Approval of their Default Serv. Programs for the Period Beginning June 1, 2023 through May 31, 2027*, Docket Nos. P-2021-3030012 et al. (Recommended Decision issued June 29, 2022) (“DSP VI R.D.”). The Commission adopted the DSP VI R.D. without modification by Order entered on August 4, 2022 (“DSP VI Order”).

for November 7, 2022 to January 2023. This change will allow suppliers to incorporate capacity prices for the 2024/2025 delivery year for resources clearing the PJM Interconnection, L.L.C. (“PJM”) Base Residual Auction (“BRA”) scheduled for December 2022 into their bids. To provide adequate time to update the Companies’ auction process and provide notice to potential bidders, the Companies are seeking expedited approval of this procurement schedule change on or before the Commission’s public meeting scheduled for October 6, 2022. In support of their request, the Companies submit as follows:

1. Met-Ed is a wholly owned subsidiary of FirstEnergy Corp. that provides service to more than 580,000 electric utility customers in eastern Pennsylvania. Penelec is a wholly owned subsidiary of FirstEnergy Corp. that provides service to nearly 590,000 electric utility customers in central and western Pennsylvania. Penn Power is a wholly owned subsidiary of the Ohio Edison Company, which, in turn, is a wholly owned subsidiary of FirstEnergy Corp. Penn Power provides service to more than 170,000 electric utility customers in western Pennsylvania. West Penn is a wholly owned subsidiary of FirstEnergy Corp that provides service to approximately 735,000 electric utility customers in western Pennsylvania.

2. Each Company is an electric distribution company (“EDC”) as defined in the Pennsylvania Public Utility Code,² and is the default service provider within its service territory for retail customers who do not choose an alternative electric generation supplier (“EGS”) or whose EGS fails to provide service.

3. On December 14, 2021, the Companies filed the above-captioned Joint Petition (the “DSP VI Petition”) requesting that the Commission approve their Programs for the period June 1, 2023 through May 31, 2027. A Joint Petition for Partial Settlement (“Joint Petition”)

² 66 Pa.C.S. § 2803.

was filed on April 20, 2022, which detailed the settlement reached among most of parties³ (the “Settlement”) and reserved two items for litigation.⁴

4. The Joint Petition included a default service procurement schedule, which was attached as Exhibit B. The Settlement provided for the use of a capacity proxy price (“CPP”) in the Companies’ auctions in the event PJM does not conduct a BRA in time for default service suppliers to incorporate the resulting capacity prices in their bids.

5. On August 4, 2022, the Commission entered an Order adopting the DSP VI R.D. and approving the Joint Petition and Settlement without modification.

6. Under the Companies’ Commission-approved DSP VI procurement schedule, the first auctions for residential and commercial products are scheduled to occur in November 2022. Those products will have 12-month and 24-month terms, with a delivery period of June 1, 2023 to May 31, 2024 and June 1, 2023 to May 31, 2025, respectively. A copy of the procurement schedule approved by the DSP VI Order is attached as Appendix A.

7. The procurement schedule agreed to in the Settlement was based on the original timeline for PJM’s 2024/2025 BRA where the results would be publicly available in August 2022.

8. Following the filing of the Joint Petition on April 20, 2022, the Companies became aware of a PJM schedule change that would delay the release of the 2024/2025 BRA results from August 2022 to December 2022.

³ Calpine Retail Holdings, LLC, the Retail Energy Supply Association and NRG Energy, Inc., and John Bevec and Sunrise Energy, LLC (collectively, “Sunrise”) did not join or oppose the Settlement. In addition, Enerwise Global Technologies, d/b/a CPower Energy Management supported the terms in Section J (Third Party Data Access Tariff) of the Joint Petition but took no position on the other provisions in the Settlement. All other parties to the proceeding joined the Settlement.

⁴ The items reserved for litigation involved (1) the relevance of the Companies’ treatment of excess energy from customer-generators to the Companies’ DSP VI proceeding and (2) Sunrise’s assertions regarding the Companies’ calculation of the Price-to-Compare.

9. Under the new PJM BRA schedule, default service suppliers will not be able to incorporate the 2024/2025 BRA capacity prices in their bids for 24-month products submitted in the DSP VI auction scheduled for November 2022. The Companies would therefore need to employ their CPP methodology for the 24-month products spanning the PJM 2024 and/or 2025 delivery years procured for DSP VI in the November 2022 auction, which would require a manually performed “true-up” process to address the difference between the CPP and the actual BRA clearing price. Allowing suppliers to reflect known capacity costs in their default service bids will eliminate the potential for default service rate impacts associated with reconciliation of the CPP differential and issues related to the timing of the true-up cashflow and PJM’s assessment of capacity charges to suppliers.

10. If the Companies are permitted to move their first auction for 24-month residential and commercial full requirements products for DSP VI from November 2022 to January 2023 as shown in the revised procurement scheduled attached hereto as Appendix B, supplier bids for the 24-month products can incorporate the BRA results corresponding to the 2024 and 2025 delivery years and the CPP will not be required.

11. Communications with potential bidders regarding the products that will be procured in the first DSP VI auction scheduled for November 7, 2022 will begin in September 2022 and the current deadline for Part I applications is early October 2022. Accordingly, the Companies respectfully request Commission approval of this Petition, on an expedited basis, no later than the Commission’s October 6, 2022 public meeting to allow sufficient time to communicate the procurement schedule change to suppliers.

12. The Companies have communicated their proposed change to the DSP VI procurement schedule to counsel for the parties to this proceeding, and as of the date of this

filing, the Companies have received responses from the following parties: the Commission's Bureau of Investigation and Enforcement; the Office of Consumer Advocate ("OCA"); the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance, and West Penn Power Industrial Intervenors; Constellation Energy Corporation; Shipley Choice, LLC d/b/a Shipley Energy; the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania; the Retail Energy Supply Association and NRG Energy, Inc.; and John Bevec and Sunrise Energy, LLC. The OCA has authorized the Companies to indicate that the OCA supports revising the procurement schedule set forth in the Settlement to move the first DSP VI auction for 24-month residential and commercial products from November 2022 to January 2023. The remainder of the responding parties do not object to the Petition.

13. The Companies have consulted with CRA International, Inc. d/b/a Charles River Associates ("CRA"), the independent third-party evaluator approved by the Commission for the Companies' default service procurements, and CRA supports the Companies' proposed schedule revisions.

WHEREFORE, the Companies respectfully request that the Commission, on or before its public meeting scheduled for October 6, 2022, authorize the Companies to modify the procurement schedule outlined in the Settlement and hold the first DSP VI auction for 24-month residential and commercial products in January 2023, instead of November 2022, to allow

default service suppliers to incorporate the 2024/2025 PJM BRA results that will be released in December 2022 in their bids.

Respectfully submitted,



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*Counsel for Metropolitan Edison Company,
Pennsylvania Electric Company,
Pennsylvania Power Company and
West Penn Power Company*

Dated: September 2, 2022

DB1/ 132321254.5

VERIFICATION

I, James H. Catanach, hereby declare that I am employed by FirstEnergy Service Company as Manager, Regulated Commodity Sourcing; that as such, I am authorized to make this verification on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company; that the facts set forth in the foregoing Petition are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. §4904 pertaining to false statements to authorities.

Date: September 2, 2022



James H. Catanach

Appendix A

Met-Ed/Penelec/Penn Power/West Penn DSP VI Auction Schedule

| Hourly Price Service Tranche Procurement Schedule | | | | | | | | |
|--|--------------|------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Auction Date | Percent Load | # Tranches | # Mos to Delivery | 6/1/23 to 5/31/24 | 6/1/24 to 5/31/25 | 6/1/25 to 5/31/26 | 6/1/26 to 5/31/27 | 6/1/27 to 5/31/28 |
| April 2023 | 100.00% | 32 | 1 | 12-Months | | | | |
| April 2024 | 100.00% | 32 | 1 | | 12-Months | | | |
| April 2025 | 100.00% | 32 | 1 | | | 12-Months | | |
| April 2026 | 100.00% | 32 | 1 | | | | 12-Months | |
| Commercial Full Requirements Tranche Procurement Schedule | | | | | | | | |
| November 2022 | 8.57% | 3 | 6 | 24-Months | | | | |
| November 2022 | 34.29% | 12 | 6 | 12-Months | | | | |
| April 2023 | 17.14% | 6 | 1 | 24-Months | | | | |
| April 2023 | 40.00% | 14 | 1 | 12-Months | | | | |
| November 2023 | 11.43% | 4 | 6 | | 24-Months | | | |
| November 2023 | 22.86% | 8 | 6 | | 12-Months | | | |
| April 2024 | 14.29% | 5 | 1 | | 24-Months | | | |
| April 2024 | 25.71% | 9 | 1 | | 12-Months | | | |
| November 2024 | 8.57% | 3 | 6 | | | 24-Months | | |
| November 2024 | 22.86% | 8 | 6 | | | 12-Months | | |
| April 2025 | 14.29% | 5 | 1 | | | 24-Months | | |
| April 2025 | 28.57% | 10 | 1 | | | 12-Months | | |
| November 2025 | 11.43% | 4 | 6 | | | | 24-Months | |
| November 2025 | 22.86% | 8 | 6 | | | | 12-Months | |
| April 2026 | 14.29% | 5 | 1 | | | | 24-Months | |
| April 2026 | 28.57% | 10 | 1 | | | | 12-Months | |
| Residential Full Requirements Tranche Procurement Schedule | | | | | | | | |
| November 2022 | 10.53% | 10 | 6 | 24-Months | | | | |
| November 2022 | 34.74% | 33 | 6 | 12-Months | | | | |
| April 2023 | 13.68% | 13 | 1 | 24-Months | | | | |
| April 2023 | 41.05% | 39 | 1 | 12-Months | | | | |
| November 2023 | 11.58% | 11 | 6 | | 24-Months | | | |
| November 2023 | 23.16% | 22 | 6 | | 12-Months | | | |
| April 2024 | 13.68% | 13 | 1 | | 24-Months | | | |
| April 2024 | 27.37% | 26 | 1 | | 12-Months | | | |
| November 2024 | 10.53% | 10 | 6 | | | 24-Months | | |
| November 2024 | 23.16% | 22 | 6 | | | 12-Months | | |
| April 2025 | 13.68% | 13 | 1 | | | 24-Months | | |
| April 2025 | 27.37% | 26 | 1 | | | 12-Months | | |
| November 2025 | 11.58% | 11 | 6 | | | | 24-Months | |
| November 2025 | 23.16% | 22 | 6 | | | | 12-Months | |
| April 2026 | 13.68% | 13 | 1 | | | | 24-Months | |
| April 2026 | 27.37% | 26 | 1 | | | | 12-Months | |

| | | | | |
|------------------|-----|-----|-----|-----|
| Residential - 24 | 24% | 49% | 49% | 49% |
| Residential - 12 | 76% | 51% | 51% | 51% |
| Commercial - 24 | 26% | 51% | 49% | 49% |
| Commercial - 12 | 74% | 49% | 51% | 51% |

Appendix B

Met-Ed/Penelec/Penn Power/West Penn Modified DSP VI Auction Schedule

| Hourly Price Service Tranche Procurement Schedule | | | | | | | | |
|---|---------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Auction Date | Percent Load | # Tranches | # Mos to Delivery | 6/1/23 to 5/31/24 | 6/1/24 to 5/31/25 | 6/1/25 to 5/31/26 | 6/1/26 to 5/31/27 | 6/1/27 to 5/31/28 |
| April 2023 | 100.00% | 32 | 1 | 12-Months | | | | |
| April 2024 | 100.00% | 32 | 1 | | 12-Months | | | |
| April 2025 | 100.00% | 32 | 1 | | | 12-Months | | |
| April 2026 | 100.00% | 32 | 1 | | | | 12-Months | |
| Commercial Full Requirements Tranche Procurement Schedule | | | | | | | | |
| January 2023 | 8.57% | 3 | 4 | 24-Months | | | | |
| November 2022 | 34.29% | 12 | 6 | 12-Months | | | | |
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| November 2024 | 8.57% | 3 | 6 | | | 24-Months | | |
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| November 2025 | 11.43% | 4 | 6 | | | | 24-Months | |
| November 2025 | 22.86% | 8 | 6 | | | | 12-Months | |
| April 2026 | 14.29% | 5 | 1 | | | | 24-Months | |
| April 2026 | 28.57% | 10 | 1 | | | | 12-Months | |
| Residential Full Requirements Tranche Procurement Schedule | | | | | | | | |
| January 2023 | 10.53% | 10 | 4 | 24-Months | | | | |
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| April 2025 | 13.68% | 13 | 1 | | | 24-Months | | |
| April 2025 | 27.37% | 26 | 1 | | | 12-Months | | |
| November 2025 | 11.58% | 11 | 6 | | | | 24-Months | |
| November 2025 | 23.16% | 22 | 6 | | | | 12-Months | |
| April 2026 | 13.68% | 13 | 1 | | | | 24-Months | |
| April 2026 | 27.37% | 26 | 1 | | | | 12-Months | |

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|------------------|-----|-----|-----|-----|
| Residential - 24 | 24% | 49% | 49% | 49% |
| Residential - 12 | 76% | 51% | 51% | 51% |
| Commercial - 24 | 26% | 51% | 49% | 49% |
| Commercial - 12 | 74% | 49% | 51% | 51% |